



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

June 8, 2009

Stephen Grangetto, Owner
5th Axis CNC, Inc.
7140 Engineer Road
San Diego, CA 92111

Dear Mr. Grangetto:

RE: FINAL MONITORING VISIT REPORT FOR 5TH AXIS CNC RETRAINING SB ET07-0340

Date of the Visit:	4/21/09
Beginning/Ending Time:	1:30pm – 4:00pm
Date of Last Visit:	8/05/08
Visit Location:	San Diego, CA
Persons in attendance:	Michelle Grangetto, Administrative Manager, 5 th Axis CNC, Inc. (5 th Axis); Stephen Grangetto, Owner, 5 th Axis; and Suzanne Godin, ETP Contract Specialist
Action Items remaining from Prior Meeting:	No
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	5/07/07-5/06/09	Agreement Amount:	\$20,280
Training Start Date:	6/01/07	No. to Retain:	13
Date Training must be Completed:	2/06/09	Range of Hours:	8-60
Type of Trainee:	Retrainee	Weighted Ave. Hours:	60

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SACRAMENTO, CA 95814
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SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY:

AGREEMENT HISTORY

5th Axis is a privately-owned CNC shop. This small business is located in San Diego and currently employs 21 full-time workers.

The agreement was approved as a Small Business Project at the April 2007 Panel Meeting and was executed on 6/01/07. Training began on 6/01/07. ETP approved one amendment during the term of the Agreement to extend the Agreement term by 12 months. Ms. Grangetto reported that all training was completed on 1/14/09 which allowed for the retention period to be completed within the term ending date of the Agreement.

INTERVIEW WITH THE CONTRACT SIGNATORY: STEPHEN GRANGETTO

As a result of the computer, continuous improvement and manufacturing skills acquired from training, your employees have begun to function as a team and have a better understanding of and respect for each other's jobs and how one individual's performance (or lack of) affects the rest of the company. Communication between departments and between frontline workers and management has improved greatly and a culture of teamwork has begun to emerge. Another noticeable change has been the increased confidence of production workers who have begun to take responsibility for problem solving and are more empowered to make continuous improvement suggestions and interact with management. You have developed standard operating procedures and have improved product quality. You have noticed a significant decrease in rework and scrap. During the term of the Agreement, 5th Axis switched from using Master Cam software to Open Mind Hyper-Mill software. The switch in software had a huge learning curve and the ETP funding allowed you to provide the critically needed training hours for the new system (off production). Without the assistance of ETP, you would not have been able to provide the amount of formal, structured training that you did.

Lastly, 5th Axis recently received its ISO 9001 and AS9100 Certification for the Aerospace Industry which was due, in part, to the continuous improvement skills training delivered during the ETP Agreement. The certification has enabled you to become part of a pool of internationally approved aerospace manufacturers with access to the international aerospace market.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	30	Completed Training:	19
Trainees Enrolled:	32	Completed Retention:	19
Dropped Following Enrollment:	13	In Retention Period:	0
No. Completed Minimum Reimbursable Hours :	19		

The statistical data submitted by 5th Axis project staff during this visit, as detailed above, was in agreement with ETP's Trainee Status Report as of the date of this report.

DISCUSSION OF PROJECTED EARNINGS:

Ms. Grangetto stated that the statistics on the class/lab tracking system were correct which showed that 19 trainees (146% of planned retentions) completed the specified range of class/lab hours (8-60) and retention period. 5th Axis tracked 704 eligible hours on the ETP class/lab tracking system for the aforementioned 19 trainees. Therefore, 5th Axis is eligible to earn \$18,304 (90 percent of the encumbered amount) if all other agreement conditions are met. Ms. Godin advised both you and Ms. Grangetto that the closeout invoice should be submitted no later than 30 days after the end term of date of the Agreement which would be 5/29/09. If you are unable to submit the closeout invoice by that date, a request for an extension must be submitted to ETP's Fiscal Unit Manager, Kulbir Mayall. As of the date of this report, 5th Axis had received \$6,881.25 in unearned progress payments. **The closeout invoice had not been submitted as of the date of this report.**

ATTENDANCE ROSTERS:

Ms. Godin conducted a 100% review of attendance rosters for 8 randomly selected trainees (for the time frame indicated below) and compared them to the hours entered into the ETP on-line tracking system.

Attendance Rosters reviewed:	8/29/08-1/14/09	Rosters reviewed contained all the required information per Title 22, California Code of Regulations, Section 4442.	YES
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INVOICES:

No invoices had been submitted since the last monitoring visit.

AUDIT:

You will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

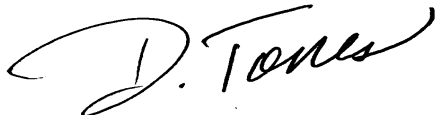
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Suzanne Godin at (619) 686-1918 or at sgodin@etp.ca.gov within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres", written in a cursive style.

Diana Torres, Manager
San Diego Regional Office

A handwritten signature in black ink, appearing to read "SMB", written in a cursive style.

Suzanne Godin, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Fiscal Manager
Master File
Project File